



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Supplemental Legislative Analysis**

**Community Empowerment and Economic  
Revitalization Committee**

April 10, 2005

2:00 PM

Commission Chamber

Charles Anderson, CPA  
Commission Auditor

111 NW First Street, Suite 1030  
Miami, Florida 33128  
305-375-4354

**Miami-Dade County Board of County Commissioners  
Office of the Commission Auditor**

**Legislative Analysis**

**Community Empowerment & Economic Revitalization Committee  
Meeting Agenda**

**April 10, 2006**

Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

**Item Number(s)**

3(D)
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If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:  
Jason T. Smith

## **LEGISLATIVE ANALYSIS**

### ***ORDINANCE GRANTING PROPERTY TAX EXEMPTION IN AREAS DESIGNATED AS ENTERPRISE ZONE***

Office of Community and Economic Development

#### **I. SUMMARY**

This ordinance authorizes renewal of the County's ad valorem property tax exemption program within the County's Enterprise Zone boundaries, and amends sections of the County Code regarding the Enterprise Zone tax abatement program. Key amendments would:

- ◆ Allow tax abatement on tangible personal property for businesses located within the Community Redevelopment Areas.
- ◆ Disqualify new or expanding businesses at Miami-International Airport from receiving ad valorem tax exemptions.

Maps detailing the Enterprise Zone can be found at: [www.miamidade.gov/ced/ez\\_maps.asp](http://www.miamidade.gov/ced/ez_maps.asp)

#### **II. PRESENT SITUATION**

The Enterprise Zone program is a joint partnership between Miami-Dade County and the State of Florida intended to spur investment in distressed areas through tax incentives for new or expanding businesses. Miami-Dade County's Enterprise Zone program has been administered by the Office of Community and Economic Development since October 1995. The state's program expired on December 21, 2005 and was subsequently reauthorized by the Florida Legislature in the summer of 2005. The reauthorization required the county to renew its program with the state as well.

The County's reauthorization application to the State was recently approved. The effective date of the new program is January 1, 2006.

The County's Enterprise Zone includes the following three areas: North-Central, South Dade and Miami Beach.

- ◆ North Central encompasses a large portion of Northwest Miami, including Miami International and Opa-locka Airports, parts of east Hialeah, and the Empowerment Zone, and a satellite in North Dade.
- ◆ South Dade: This parcel covers most of the cities of Homestead and Florida City, as well as Cutler Ridge, Perrine, and Princeton.
- ◆ Miami Beach: Includes parts of South Beach, Collins Avenue and parts of North Beach.

#### **III. POLICY CHANGE AND IMPLICATION**

This item amends several sections of the County Code regarding the ad valorem tax exemption program within Enterprise Zones. The amendments are as follows:

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- ◆ **Section 29-81:** Allow tax abatement on tangible personal property for businesses located within the County's 11 Community Redevelopment Areas. Previously, businesses located both within the boundaries of a CRA and an Enterprise Zone were not eligible for ad valorem tax exemption, since the taxes generated within CRA boundaries go directly to the CRA. However, according to staff, only the property taxes and real estate taxes are given to the CRA. Taxes on tangible property, such as equipment, were always diverted back to the county. This amendment will not adversely impact the tax revenue generated for CRAs.
- ◆ **Section 29-81:** Disqualifies new or expanding businesses located in the terminals of the Miami-International Airport from receiving ad valorem tax exemptions. *NOTE:* Since 2003, no new tax abatements have been approved for businesses at Miami-International Airport.
- ◆ **Section 29-88:** The amendment would assure the eligibility of new and expanding businesses whose applications for tax abatement were pending as of June 30, 2005, regardless of when the improvements were made or placed on the tax assessment rolls.
- ◆ **Section 29-89:** The amendment sets the expiration date of the tax exemption program at June 30, 2005.

## IV. ECONOMIC IMPACT

Allowing tax abatement on tangible personal property for new or expanding businesses within a CRA could have an adverse financial impact on the County. Currently, the County receives these funds.

According to the staff, the County's existing Economic Development ad valorem tax exemption program, which includes real estate and tangible personal property exemptions, amounts to \$1.5 million per year from 2002 – 2004.

## V. COMMENTS AND QUESTIONS

Maps detailing the Enterprise Zone can be found at: [www.miamidade.gov/ced/ez\\_maps.asp](http://www.miamidade.gov/ced/ez_maps.asp)